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DEPARTMENT OF ENERGY

NOTIFICATION

The 8th August, 2013

Sub: Modification of terms of CAPEX Programme for the Distribution Companies of Odisha.

No.6603-ENG-EL-CAPEX-0018/2013/E.— The State Cabinet in their 10th meeting held on 5th October, 2010 had approved the investment proposal of ₹ 2,400 crores in distribution sector which includes the grant of Finance Commission, State budgetary support and counter-part funding by the DISCOMs. The scheme period was 4 year's starting from Financial Year, 2010-11 to Financial Year, 2013-14.

As per the scheme, the Finance Commission Grant of ₹ 500 crores was considered to be released in 3 installments i.e. ₹ 200 crores during Financial Year, 2011-12 and ₹ 150 crores each during Financial Year, 2012-13 and Financial Year, 2013-14. Subsequently, it is found that the sum of ₹ 500 crores from the Finance Commission Grant is going to be released in 4 equal installments of ₹ 125 crores per year from Financial Year, 2011-12 to Financial Year, 2014-15. Further the execution of the scheme got delayed during initial years due to various reasons such as, finalization of Technical Specification of various equipments, poor response to the tenders and inability of R-Infra managed DISCOMs to arrange counter part funding.

Further it may not be expected to have achievement of the annual loss reduction target of 3% from the end of first year itself i.e. Financial Year, 2010-11 which, in reality, has become the preparatory year for CAPEX implementation. Therefore, it may not be appropriate now to link the release of second installment of each year of the State Govt. support for CAPEX programme to the achievement of the annual loss reduction target of 3% which is only a consequent event of the CAPEX Programme.

In consideration of above facts, the State Cabinet in their 37th meeting held on 5th

August, 2013 has approved the proposal of modification of the original CAPEX Programme. The modified clauses stand as given below:—

1. Extension of Implementation Period and revised year wise sources of funding:

(a) Clause 3.1.1— Programme Implementation Period:— The scheme envisages investment of ₹ 2,400 crores to be spent over the period of five financial years i.e. Financial Year, 2011-12 to Financial Years, 2015-16, out of which Government of Odisha will provide ₹ 1,200 crores and DISCOMs will invest ₹ 1,200 crores from their own source/ or through market borrowing.

(b) Clause 3.1.2— Annual financing' pattern (Revised):—The revised year-wise sources of funding are given below:

Sl. No.	Sources	Financial Year					(₹ Crore)
		2011-12	2012-13	2013-14	2014-15	2015-16	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. STATE GOVERNMENT FUNDING :							
1	Financial Commission Grant (FCG)	125.00	125.00	125.00	125.00	125.00	500.00
2	1/3rd Matching share of State Government to Financial Commission Grant	20.00	-	73.33	73.34	-	166.67
3	1/3rd Matching share of GRIDCO (State Government loan) to Financial Commission Grant	20.00	-	73.33	73.34	-	166.67
4	State's Own Contribution	255.83	10.00	50.00	50.83	-	366.66
Sub-Total (1+2+3+4) :		420.83	135.00	321.66	322.51	-	1200.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
B. DISCOMS COUNTERPART FUNDING :							
5	1/3rd DISCOMs share to Finance Commission Grant	-	-	83.34	83.33	-	166.67
6	DISCOMs own contribution	-	-	-	133.33	900.00	1033.33
Sub-Total (5+6) :		-	-	83.34	216.66	900.00	1200.00
Total (A+B) :		420.83	135.00	405.00	539.17	900.00	2400.00

Since the Programme is getting started from Financial Years 2011-12 instead of Financial Years 2010-11, the release of ₹ 205 crores by the State Government on 31st March, 2011 for Financial Years 2010-11, will be considered as a deemed release of funds against Financial Years 2011-12.

2. Relaxation in Mode of Disbursement and Repayment :

- (a) Clause : 4.2: Mode of Disbursement and Repayment: The loan/ assistance will be released in two equal installments every year.
- (b) Clause : 10.2: Evaluation of AT & C loss reduction by TPIEA: Distribution company shall ring fence each identified project area at the beginning of the project. AT & C loss figures of project areas shall be evaluated by TPIEA after completion of the project.

By Order of the Governor

P. K. JENA

Commissioner-cum- Secretary to Government